

General Terms and Conditions of Sale

THESE SILMET GENERAL TERMS AND CONDITIONS OF SALE ("Terms") CONSTITUTE AN AGREEMENT BETWEEN SILMET or any of its Affiliates supplying or providing products and/or services ("SMT") and THE PERSON OR ENTITY PURCHASING PRODUCTS AND/OR SERVICES FROM SMT ("Buyer"). In these Terms, "Affiliate" of SMT or Buyer, means any legal entity or person that SMT or Buyer, respectively Controls, is Controlled by, or is under common Control with; where "Control" means the direct or indirect ownership of more than fifty percent (50%) of the shares or similar interests entitled to vote for the election of directors or other persons performing similar functions. An entity is considered an Affiliate only so long as such Control exists. Unless explicitly otherwise agreed to in writing between SMT and Buyer, these Terms (i) apply to all products and services supplied or provided by SMT and shall supersede any and all documents and agreements exchanged between SMT and Buyer other than any quotation or offer ("Quote"), and acceptance, acknowledgement or confirmation ("Confirmation") provided by SMT to Buyer (which Quote and/or Confirmation shall be deemed an integral part hereof to the extent consistent herewith), and (ii) apply notwithstanding any terms, conditions and/or provisions or referenced in or accompanying Buyer's purchase order or any other communication from Buyer which are in any way inconsistent with, or contain any additions, limitations, or other modifications to, these Term ("Different Terms") and any such Different Terms (whether they materially alter these Terms or not) are hereby objected to and rejected by SMT and shall not be applicable to any transaction between SMT and Buyer or otherwise binding upon SMT. SMT's acceptance of any purchase order from Buyer is expressly conditioned upon Buyer's assent to these Terms. No conduct by SMT, including, without limitation, shipment or delivery of any items listed on a purchase order or otherwise ordered by or provided to Buyer (the "Ordered Goods") or SMT's failure to object to any Different Terms shall constitute, or be construed to constitute, SMT's assent to or recognition of any Different Terms. Purchase orders containing any Different Terms are rejected by SMT (and any Confirmation of such purchase orders or any shipment of Ordered Goods following such purchase orders shall constitute a counter-offer by SMT, subject to these Terms). Buyer's or any Buyer representative's (i) acceptance or retention of, and/or payment of the purchase price for, any Ordered Goods (or any installment of Ordered Goods), and (ii) written or verbal assent to any Quote or Confirmation shall be conclusively deemed Buyer's acceptance of these Terms. Without limiting the foregoing, no purchase order from Buyer shall be binding upon SMT unless and until accepted and confirmed by SMT in writing. SMT shall be under no obligation to accept any purchase order of Buyer. SMT's Quotes are open for acceptance by Buyer within the period stated by SMT in the Quote or, when no period is stated, within thirty (30) days from the date of the Quote, but any Quote may be withdrawn or revoked by SMT at any time prior to the receipt by SMT of Buyer's acceptance thereof. SMT's quotes are open for acceptance only pursuant to these Terms and may not be accepted under any Different Terms. If SMT receives an order from Buyer for the sale by SMT and purchase by Buyer of Ordered Goods and such order is not a response to a Quote by SMT, or if SMT receives an order or acceptance by Buyer which deviates from SMT's Quote, or contains any Different Terms, such order or acceptance, respectively, shall be deemed to be a request for a Quote or counter-offer only (which counter-offer may be made by SMT in any form, including in the form of an order Confirmation or shipment of Ordered Goods under these Terms). Subject to all of the foregoing, an acceptance by Buyer of any Quote made by an agent or sales representative for SMT shall only constitute an agreement between SMT and Buyer upon explicit Confirmation by SMT itself.

TAXES: Unless otherwise specifically agreed in writing by SMT, the prices of Ordered Goods as agreed pursuant to Section 2 below (the "Prices") do not include any taxes, freight, duties or levies (including, but not limited to, export, sales, use, excise, or value-added taxes) that may be applicable to the Ordered Goods, and if applicable, such taxes, duties, freight, and levies will be added by SMT to the Prices and will be paid by Buyer.

PURCHASE PRICE: The price of the Ordered Goods shall be in accordance with a Quote submitted by SMT or as otherwise agreed upon between Buyer and SMT and shall not be binding on SMT unless and until SMT issues a written Confirmation. In the event that prior to shipment of the Ordered Goods there occurs any material change in the economic conditions such as either a rise or falling of product price in fair market, as reasonably determined by SMT, Buyer and SMT agree to discuss in good faith a fair adjustment of the Prices. If the Parties cannot agree on such reasonable adjustment, SMT may cancel the applicable Purchase Order without any liability pursuant thereto or on account thereof.

DELIVERY AND RISK OF LOSS: Unless otherwise specifically agreed in writing, all Ordered Goods shall be delivered EX-WORKS SMT's shipping facility; risk of loss and damage thereto shall pass to Buyer upon SMT's tender of delivery thereof to a carrier chosen by SMT at such EX-WORKS point; any loss or damage thereafter shall not relieve Buyer from any payment obligation; and SMT may invoice buyer for Ordered Goods (i) in tangible form, upon the Ex-Works delivery of such Ordered Goods and if delivery is made in installments, each installment may be separately invoiced (ii) in intangible form, upon the commencement of any development or service associated with such Ordered Goods, or as otherwise specified in a Quote or an agreement between SMT and Buyer. Buyer shall be responsible for all import and export duties, taxes, and any other expenses incurred or licenses or clearances required at port of origin and destination. SMT may deliver the Ordered Goods in installments. Shipping dates communicated or acknowledged by SMT are approximate only. Subject to Buyer's provision of all necessary order and delivery

information prior to the agreed delivery date, SMT will make commercially reasonable efforts to meet the delivery dates communicated or acknowledged in a Confirmation notice. Subject to the foregoing, SMT shall not be liable for any damage, loss or expense incurred by Buyer, nor shall SMT be in breach of its obligations to Buyer, if SMT fails to meet the specified shipping dates. Buyer shall promptly inspect all shipments of Ordered Goods upon receipt. In the event of a failure of Ordered Goods to conform to the requirements set forth in these Terms and Conditions, and provided that such failure existed at the time of passage of risk of loss and damage, Buyer may reject the applicable Ordered Goods by giving written notice thereof to SMT specifying the failure to conform and including appropriate information evidencing such failure to conform. Any shipments not so rejected by Buyer within thirty (30) days of shipment shall be deemed accepted. Buyer shall provide full access to SMT and its representatives to such rejected Ordered Goods, and any related information, records, and documents, in order for SMT to verify any failure to conform and the cause thereof. In the event of a rightful rejection in accordance with the foregoing, SMT shall use commercially reasonable efforts to ship conforming Ordered Goods within a reasonable period of time. If SMT fails to ship conforming Ordered Goods by the end of such additional period, unless the parties agree otherwise, Buyer may cancel the applicable purchase order by giving SMT written notice of such cancellation no later than five (5) days after the end of such additional period. Buyer may cancel the purchase order only with respect to the portion of Ordered Goods that was not so delivered. Upon such cancellation, Buyer shall request a return authorization from SMT and, upon receipt thereof, return all such Ordered Goods in accordance therewith to SMT for a refund of the Price paid therefore, if any. The foregoing shall be Buyer's sole and exclusive remedy, and SMT's sole and exclusive obligation and liability, in the event of Buyer's rejection of Ordered Goods. If Buyer fails to take delivery, then SMT may deliver the Ordered Goods in consignment at Buyer's costs and expenses. In the event of shortages, SMT may allocate its available production capacity and products, in its sole discretion, among its customers and as a result may sell and deliver to Buyer fewer Ordered Goods than specified in SMT's Quote or Confirmation.

QUANTITIES: For each line in each Purchase Order of Buyer, SMT may ship a quantity that varies from the quantity ordered by up to (i) five percent ($\pm 5\%$) for packed devices or (ii) seven percent ($\pm 7\%$) for bare/naked dice. Any quantity delivered by SMT within such variance range shall (i) constitute full performance by SMT and full compliance with the applicable Buyer's purchase order, and (ii) be accepted and paid by Buyer, provided that the purchase price shall be adjusted proportionately to reflect the quantity actually delivered. Any claims for alleged shortages and price adjustments must be given to SMT in writing within thirty (30) days of shipment; otherwise, any claim on account thereof will be deemed waived by Buyer.

TERMS AND METHOD OF PAYMENT: Unless otherwise specifically agreed in writing, where SMT has extended credit to Buyer, the terms of payment shall be net thirty (30) days from date of SMT's invoice. The amount of credit or terms of payment may be changed, and credit may be withdrawn, by SMT at any time for any reason. If, in SMT's judgment, Buyer's financial condition at any time does not justify production, performance of work or delivery on the above payment terms, SMT may require full or partial payment in advance or other payment terms as condition for delivery, and SMT may suspend, delay or cancel any credit, delivery or any other performance by SMT. If the Ordered Goods are delivered in installments, Buyer shall pay for each installment in accordance with the terms of payment set forth herein, and Buyer's obligation to pay for such installment shall accrue regardless of whether the remaining installments are delivered. If Buyer fails to make any payment when due, SMT reserves the right to suspend or cancel performance under any or all purchase orders or agreements under which SMT has extended credit to Buyer. SMT's suspension of performance may result in a rescheduling delay contingent on current product availability. In addition, Buyer will pay SMT interest on any payments not received by SMT when due at the rate of 1.5% per month or the maximum rate allowed by law, whichever is less. If SMT incurs exchange rate losses due to Buyer's failure to pay when payments are due, SMT shall be entitled to equivalent compensation from Buyer for such losses.

Property Rights & Reservation of Rights:

Property Rights: Subject to the provisions set forth herein, the sale by SMT of an Ordered Good implies the limited, nonexclusive and non-transferable license to Buyer under any of SMT's and, to the extent licensable by SMT, its vendors', licensors' or Affiliates' (collectively, "Related Parties"), intellectual property rights embodied in such Ordered Good ("SMT's IP") (1) to use such Ordered Good for its intended purpose and to resell such Ordered Good, in each case as sold by SMT to Buyer, including (2) as part of apparatuses manufactured by or on behalf of Buyer that include such Ordered Good as supplied by SMT ("Buyer's Products"), but such license under sub-clause (2) is only granted if and to the extent infringement of SMT IP necessarily results from the use of such Ordered Good for its intended purpose. To the extent that software and/or documentation is embedded in an Ordered Good, the sale of such Ordered Good shall not constitute the transfer of ownership rights or title in such software and/or documentation to Buyer, but, subject to the provisions set forth herein, shall only imply a nonexclusive and non-transferable license to Buyer under SMT IP (1) to use such software and/or documentation as embedded in the Ordered Good as supplied by SMT as required for the ordinary intended use of such Ordered Good, and (2) to use such Ordered Good as part of Buyer's Products, if and to the extent infringement of SMT IP necessarily results from the use of such Ordered Good for its intended purpose. If SMT, in connection with the sale of an Ordered Good supplies any software and/or documentation to Buyer that is not embedded in the Ordered Good but that is intended for use in or in conjunction with such Ordered Good, and such software and/or documentation is not subject to a separate license agreement, such sale of such

Ordered Good and such supply of software and/or documentation implies, subject to the provisions set forth herein, the limited, non-exclusive and non-transferable license to Buyer under SMT's intellectual property rights embodied in such software and/or documentation: (1) to use said software and/or documentation in conjunction with such Ordered Good as supplied by SMT and/or its Affiliates and which SMT and/or its Affiliates have identified in writing for use in conjunction with such software and/or documentation, and solely as required for the ordinary intended use of such Ordered Good; and (2) to make and distribute copies of the software and/or documentation, either in electronic or hardcopy format, and with respect to such software only in object code format, solely as required for the ordinary intended use of such Ordered Good. Any and all references to "sale" or "sold" of any software or documentation shall be deemed to mean a license regarding such software and/or documentation as described above. In no event shall Buyer acquire any (i) ownership interest in such software and/or documentation or any intellectual property rights, or (ii) right, title, or interest with respect to such software and/or documentation other than the limited license expressly set forth herein, whether by implication, estoppel, or otherwise.

Reservation of Rights: Unless otherwise specifically and expressly agreed in writing by SMT, no rights or licenses with respect to any software source code are granted by SMT to Buyer. Any and all source code included as part of any software residing in or provided by SMT in conjunction with any Ordered Goods and any compilation or derivative thereof is the proprietary information of SMT or its Related Parties, and is confidential in nature. Nothing in these Terms, nor the sale by SMT of the Ordered Goods shall be construed to grant to, or convey or confer upon Buyer or Buyer's customers, or upon any third party, any right or license, whether express, by implication, estoppel, by reason of exhaustion, or otherwise, under any patent rights of SMT claiming, covering or relating to any combination of such Ordered Goods with other elements or components, or any system, machine, or process using such Ordered Goods. Neither the provision by SMT of any design, engineering, or other services, or any production materials, nor any payment or other consideration provided by Buyer in connection therewith, shall convey, or be construed to convey, any right, title, or interest with respect to any work product resulting from any such services or any such materials or any other subject matter. All right, title, and interest with respect to any and all of the foregoing shall be and remain the sole and exclusive property of SMT. No right or license, whether express, by implication, or otherwise, is granted with respect to any trademark of SMT or its Related Parties under these Terms or as a result of the sale of any Ordered Goods or the provision of related software and/or documentation. Buyer shall not (and shall require that its customers do not) remove, alter, cover or obfuscate any proprietary rights notices, such as patent, copyright, mask work or trademark, or confidentiality notices, placed or embedded by SMT on or in any of SMT's products, software, and/or documentation and other related materials.

RESTRICTIONS: Buyer shall not, and shall not permit any third party to: (a) modify, adapt, alter, translate, or create derivative works from, any software residing in or provided by SMT in conjunction with any Ordered Goods; (b) assign, sublicense, lease, rent, loan, transfer, disclose, or otherwise make available such software (except as expressly permitted under these Terms); (c) merge or incorporate such software with or into any other software; or (d) reverse engineer, decompile, disassemble, or otherwise attempt to derive the source code of, or any proprietary information embodied in, such software without express prior written authorization from SMT. Buyer shall reproduce, without any amendments or changes thereto, any proprietary rights legends of SMT and/or its Related Parties in any copies of software or documentation provided by SMT.

CUSTOM PRODUCT: The design, development or manufacture by SMT of any product or component for Buyer ("Custom Product") shall not convey, or be construed to convey, any right, title, or interest with respect to any work product, including mask works, resulting from any such services or any intellectual property rights relating thereto. All right, title, and interest with respect to any and all of the foregoing shall be and remain the sole and exclusive property of SMT and Buyer shall have no right or license (whether by implication, estoppel, or otherwise) except for the limited right to use and resell the Custom Product sold to Buyer by SMT as expressly provided in Section 6(A) above. Prices and/or schedules for Custom Products are subject to change by SMT if any specifications are revised or supplemented or there are unforeseen difficulties with the design.

CONTINGENCIES: SMT is not liable, either wholly or in part, for nonperformance or a delay in performance due to force majeure or contingencies or causes beyond the reasonable control of SMT, whether or not foreseeable, including, but not limited to, acts of God, riot, war, acts of terror, fire, epidemics, flood, earthquakes, government intervention, embargos, labor disputes, shortage of labor, fuel, raw material or machinery, technical or yield failure, manufacturing process failures, non-availability of any permits, licenses or authorizations, or defaults and late delivery by suppliers. Production and deliveries may be allocated by SMT in its sole and reasonable discretion in the event of a shortage of goods. In the event that the force majeure extends for a period of three (3) consecutive months (or in the event that the delay is reasonably expected by SMT to extend for a period of three (3) consecutive months), SMT shall be entitled to cancel all or any part of these Terms and any affected purchase orders without any liability of SMT towards Buyer.

SUBSTITUTIONS AND MODIFICATIONS OF GOODS: SMT may, at any time, modify the Ordered Goods, their specifications or production process, provided such modified goods provide substantially similar functionality. SMT reserves the right, at any time, to (i) discontinue production of any of its products (including the Ordered Goods), and (ii) modify any of its products, their specifications, and production processes (subject, only with respect to Ordered Goods, to the first sentence hereof). In the event

of a permanent discontinuation at any time of Ordered Goods regularly sold by SMT to Buyer, SMT will make reasonably commercial efforts, subject to SMT's then-current product discontinuation procedures and these Terms to give Buyer prior written notice of such discontinuance and accept, subject to availability and these Terms, last-time-buy orders from Buyer for such Ordered Goods, provided that the delivery dates in such orders are prior to the discontinuance date set forth in the notice, and which shall in no event exceed 12 (twelve) month from the notice date.

WARRANTIES & DISCLAIMER:

WARRANTIES: Except as otherwise hereinafter provided, SMT warrants that, for a period of one (1) year from date of shipment, the Ordered Goods, as supplied by SMT (a) will be free from material defects in workmanship and materials and (b) will materially conform to SMT's published functional specifications for the Ordered Goods.

DISCLAIMER: SMT MAKES NO OTHER WARRANTIES, WHETHER EXPRESS OR IMPLIED, AND HEREBY EXPRESSLY DISCLAIMS ANY AND ALL OTHER WARRANTIES, EXPRESS, IMPLIED, OR STATUTORY, INCLUDING, WITHOUT LIMITATION, THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AND NON-INFRINGEMENT OF THIRD PARTY RIGHTS, ANY AND ALL WARRANTIES THAT MAY ARISE FROM COURSE OF DEALING, COURSE OF PERFORMANCE, OR USAGE OF TRADE, AND ANY AND ALL WARRANTIES PURSUANT TO THE CISG, INCLUDING PURSUANT TO ARTICLES 35, 41, AND 42 OF THE CISG. CONTINUED USE OR POSSESSION OF THE GOODS AFTER EXPIRATION OF THE APPLICABLE WARRANTY PERIOD STATED ABOVE SHALL BE CONCLUSIVE EVIDENCE THAT THE WARRANTY IS FULFILLED TO THE FULL SATISFACTION OF BUYER. Notwithstanding the foregoing, SMT makes NO WARRANTY as to Ordered Goods to the extent they consist of or contain software (including without limitation any software (i) licensed under Open License Terms; (ii) provided or modified by Buyer or any third party; or (iii) not embedded in the Ordered Goods by SMT), experimental or developmental goods, samples, prototypes or risk production (i.e., Custom Products manufactured and/or delivered prior to both parties' written acceptance and qualification of the prototype thereof), or goods not manufactured by or specifically for SMT, all of which are supplied "AS-IS", provided that as to goods not manufactured by or specifically for SMT, SMT shall, to the extent permitted by SMT's contract with its vendors, assign to Buyer any rights SMT may have under any warranty made by such vendor. THE WARRANTIES SET FORTH HEREIN SHALL NOT BE EXPANDED OR OTHERWISE AFFECTED BY, AND NO OBLIGATION OR LIABILITY OF SMT SHALL ARISE OR RESULT FROM, SMT'S RENDERING OF TECHNICAL ADVICE OR SERVICE TO BUYER. The express warranty granted above shall extend only to Buyer and not to Buyer's customers, agents or representatives or any other third party. ORDERED GOODS ARE NOT DESIGNED, AUTHORIZED OR WARRANTED TO BE SUITABLE FOR USE IN MEDICAL, MILITARY, AIR CRAFT, SPACE OR LIFE SUPPORT EQUIPMENT NOR IN APPLICATION WHERE FAILURE OR MALFUNCTION OF ORDERED GOODS CAN REASONABLY BE EXPECTED TO RESULT IN A PERSONAL INJURY, DEATH OR SEVERE PROPERTY OR ENVIRONMENTAL DAMAGE. INCLUSION AND/OR USE OF ORDERED GOODS IN SUCH EQUIPMENT OR APPLICATIONS, WITHOUT PRIOR AUTHORIZATION IN WRITING OF SMT, IS NOT PERMITTED AND AT BUYER'S OWN RISK. BUYER AGREES TO FULLY INDEMNIFY AND HOLD SMT HARMLESS FROM AGAINST ANY CLAIMS, DAMAGES, LOSSES, LIABILITIES, AND COSTS RESULTING FROM SUCH INCLUSION OR USE.

REMEDIES: SMT's sole and exclusive liability, and Buyer's sole and exclusive remedy, for any breach of the warranties set forth in Section 12 or any other provision herein regarding the Ordered Goods and/or representations or warranties in connection therewith shall be (at SMT's option) to repair or replace the Ordered Goods causing such breach, or to credit Buyer's account the amounts actually paid by Buyer for any such Ordered Goods which are returned by Buyer during the one-year warranty period set forth in Section 12, provided that (i) SMT is promptly notified in writing upon discovery by Buyer that such Ordered Goods failed to conform to such warranties, and such notice contains a detailed explanation of any alleged deficiencies in compliance with SMT's then-current return material authorization ("RMA") policy and such Ordered Goods returned are accompanied by a duly completed RMA form issued by SMT, (ii) such Ordered Goods are returned to SMT CIP (Incoterms) SMT's plant from which goods were shipped or to another location designated by SMT, and (iii) SMT's examination of such Ordered Goods discloses that such alleged breach or deficiencies actually exist and were not caused by accident, misuse, neglect, alteration, storage, transportation, improper installation, unauthorized repair or improper environmental or stress testing. If SMT elects to repair or replace such Ordered Goods (with new or refurbished goods or parts), SMT shall have a reasonable time to make such repairs or replace such Ordered Goods. Such repair, replacement, or credit shall constitute fulfillment of all liability of SMT to Buyer whether based in contract, tort, indemnity, statutory provision or otherwise. Any such repaired or replaced Ordered Goods shall be covered by the warranty in Section 12 for the remainder of the original warranty period. Buyer's remedies expressly provided for in this Section 13 shall be in lieu of, and completely replace, and Buyer shall not have, any rights and remedies otherwise available to Buyer under applicable law, including, without limitation, any rights or remedies pursuant to Articles 35-52, and 71-77 of the CISG

LEGAL COMPLIANCE: Buyer shall at all times comply with all applicable federal, state and local laws and regulations, specifically with any applicable export or import control laws and regulations regarding the Ordered Goods and any software and/or documentation related thereto, and Buyer will indemnify and hold SMT harmless from and against all claims, damages, losses, liabilities, and costs arising out of or in connection with any violation thereof. The products covered by these Terms may fall within the group of "strategic" electronic products that are wholly or partly of U.S. origin or technology, the export of which

is subject to export license control by the U.S. government. Buyer agrees that Buyer will act as the exporter or importer of the Ordered Goods and any related technical data. Buyer warrants that it is in full compliance with all applicable export and import laws, including those of the U.S. Buyer further agrees to comply with U.S. prohibitions on delivery of Ordered Goods and related technical data and providing services to certain end users and for certain end uses as set forth in the U.S. Export Administration Regulations, including but not limited to, the following end uses/end users: nuclear facilities, space or missile, and weapons systems (including without limitation chemical and biological). Buyer agrees to provide all information necessary to determine all relevant export authorizations and to export and import the Ordered Goods, including as applicable the Export Classification Control Number (ECCN) and subheadings, or munitions list category number, and agrees to obtain any licenses and authorizations required under applicable laws and to make any required filings. Buyer will be fully responsible for the correctness of information provided by Buyer and any use of it to comply with applicable regulations. SMT may suspend and/or terminate its obligations to deliver Ordered Goods to Buyer without incurring any liability towards Buyer, if not all applicable governmental export or import requirements are satisfied and/or licenses and authorizations have been obtained. If an end-user statement is required, Buyer shall immediately provide SMT with such document upon SMT's first written request; if an import license is required, Buyer shall inform SMT immediately thereof and Buyer shall provide SMT with such document as soon as it is available.

PATENT INDEMNITY: Subject to Section 16 and the conditions and limitations set forth herein, SMT shall defend Buyer in any suit or proceeding brought against Buyer by a third party insofar as such suit or proceeding is based on a claim that any Ordered Goods manufactured by SMT and supplied to Buyer by SMT under these Terms directly infringe any duly issued United States patent of such third party, and SMT shall pay all damages and costs finally awarded against Buyer by a court of competent jurisdiction in such suit or proceeding as a result of such claim and to the extent directly and solely attributable to such infringement; provided that the foregoing obligations shall apply only if Buyer promptly informs SMT in writing of such suit or proceeding, Buyer promptly furnishes to SMT a copy of each communication, notice or other action relating to the alleged infringement, and Buyer gives SMT full control, authority, information, and assistance to defend and settle such suit or proceeding. SMT shall have no obligation or liability hereunder if the infringement or alleged infringement is based on, is caused by, arises out of or in connection with (a) compliance with or implementation of (i) Buyer's specifications, designs, or instructions, or (ii) any standard set by a standard setting body and/or agreed between at least two entities, (b) combination of the Ordered Goods with any hardware, software or other products or technologies not supplied by SMT, (c) any addition to or modification of the Ordered Goods after delivery by SMT, (d) use of the Ordered Goods, or any part thereof, in the practice of a process, (e) unauthorized use or distribution of the Ordered Good or use beyond the specifications of the Ordered Good, (f) any third party's intellectual property rights (i) covering a standard set by a standard setting body and/or agreed between at least two entities; (ii) covering the manufacture, testing or application of any assembly, circuit, combination, method, or process in which the Ordered Goods may be used; or (iii) with respect to which SMT or any of its Related Parties has informed Buyer or has published (in a datasheet or other specifications concerning the Ordered Good or elsewhere) a statement that a separate license has to be obtained and/or that no license is granted or implied, (g) any software embedded in, or intended for use in conjunction with, the Ordered Goods. SMT's obligations hereunder shall further not apply with respect to any use, sale, offer for sale, importation or other disposition or promotion of the Ordered Goods by Buyer, occurring after Buyer has received (x) notice of said suit or proceeding or other communication alleging infringement or (y) notice contemplating, in SMT's opinion, the likelihood that such activity may be the subject of an alleged infringement, unless SMT has given prior written permission for such continuing use. Buyer shall defend, indemnify and hold SMT harmless from and against any claims, liability, losses, damages and costs arising out of or in relation to claims of infringements described in the two preceding sentences and shall reimburse all costs incurred by SMT in defending any claim, demand, suit, action or proceeding in connection with such alleged infringement. If any Ordered Goods are held, or in SMT's opinion are likely to be held, to infringe any United States Patent, SMT shall have the right, without obligation at its sole option, to (i) procure for Buyer the right to continue to use and/or sell such Ordered Goods, (ii) replace or modify such Ordered Goods in such a way as to make the modified goods non-infringing, or (iii) accept return of such Ordered Goods in exchange for a refund of the amounts actually paid by Buyer for such Ordered Goods. If the infringement is alleged prior to completion of delivery of the Ordered Goods under these Terms, SMT may decline to make further shipments without being in breach of these Terms and cancel any related purchase orders, or SMT may agree to make such shipments if Buyer agrees in writing to defend, indemnify and hold SMT harmless against any claims, liability, losses, damages and costs in connection with the infringement relating to such shipments. THE FOREGOING STATES THE SOLE AND EXCLUSIVE LIABILITY OF SMT, AND THE SOLE AND EXCLUSIVE REMEDY OF BUYER, IN CONNECTION WITH ANY CLAIM OR OTHER ALLEGATION OF, OR ANY ACTUAL OR ALLEGED, PATENT OR OTHER INTELLECTUAL PROPERTY INFRINGEMENT RELATING TO THE ORDERED GOODS. THE FOREGOING SHALL BE IN LIEU OF, AND COMPLETELY REPLACE, AND BUYER SHALL NOT HAVE, ANY RIGHTS AND REMEDIES OTHERWISE AVAILABLE TO BUYER UNDER APPLICABLE LAW, including, without limitation, any RIGHTS or remedies pursuant to Articles 35-52, and 71-77 of the CISG.

LIMITATION OF LIABILITY: SMT'S AND ITS RELATED PARTIES' AGGREGATE AND CUMULATIVE LIABILITY IN CONNECTION WITH THE ORDERED GOODS OR PURSUANT TO THESE TERMS, WHETHER IN CONTRACT, TORT, WARRANTY, PURSUANT TO INDEMNIFICATION, OR OTHERWISE, AND REGARDLESS OF WHETHER SMT OR A RELATED PARTY HAS BEEN ADVISED OR AWARE

OF THE POSSIBILITY OF SUCH LIABILITY, SHALL IN NO EVENT EXCEED THE LESSER OF: (A) THE TOTAL OF THE AMOUNTS ACTUALLY PAID BY BUYER TO SMT HEREUNDER FOR THE APPLICABLE ORDERED GOODS DURING THE SIX (6) MONTHS IMMEDIATELY PRECEDING THE EVENT, OR SERIES OF EVENTS, AS THE CASE MAY BE, GIVING RISE TO SMT'S LIABILITY, AND (B) AN AMOUNT OF US\$500,000, BUT IN CASE OF LIABILITY FOR DELAY OR NON-DELIVERY OF ORDERED GOODS, ALSO NEVER MORE THAN THE PURCHASE PRICE OF THE DELAYED OR NON DELIVERED ORDERED GOODS CONCERNED. IN NO EVENT SHALL SMT OR ANY OF ITS RELATED PARTIES BE LIABLE TO ANYONE FOR SPECIAL, COLLATERAL, INDIRECT, PUNITIVE, EXEMPLARY, INCIDENTAL, OR CONSEQUENTIAL DAMAGES OR DAMAGES FOR LOST PROFITS, LOST REVENUES OR LOST DATA, IN CONNECTION WITH THE ORDERED GOODS OR PURSUANT TO THESE TERMS, WHETHER IN CONTRACT, TORT, WARRANTY, PURSUANT TO INDEMNIFICATION, OR OTHERWISE, AND REGARDLESS OF WHETHER SMT HAS BEEN ADVISED OR AWARE OF THE POSSIBILITY OF SUCH LIABILITY. IN NO EVENT SHALL SMT OR ANY OF ITS RELATED PARTIES BE LIABLE FOR ANY DAMAGE, COSTS OR EXPENSES ASSOCIATED WITH THE ACTUAL REPLACEMENT OR REPAIR OF PRODUCTS, INCLUDING LABOR, INSTALLATION OR OTHER COSTS INCURRED BY BUYER AND, IN PARTICULAR, ANY COSTS RELATED TO THE REMOVAL OR REPLACEMENT OF ANY ORDERED GOODS SOLDERED OR OTHERWISE PERMANENTLY AFFIXED TO ANY PRINTED CIRCUIT BOARD, EXCESS PROCUREMENT COSTS, COSTS OF COVER, OR REWORK CHARGES. THIS SECTION 16 SHALL BE IN LIEU OF, AND COMPLETELY REPLACE, AND BUYER SHALL NOT HAVE, ANY RIGHTS AND REMEDIES OTHERWISE AVAILABLE TO BUYER UNDER APPLICABLE LAW, including, without limitation, any RIGHTS or remedies pursuant to Articles 35-52, and 71-77 of the CISG. ANY CLAIM BY BUYER RELATING TO THE ORDERED GOODS OR ARISING IN CONNECTION WITH THESE TERMS MUST BE BROUGHT BY BUYER WITHIN NINETY (90) DAYS OF THE DATE OF THE EVENT GIVING RISE TO ANY SUCH CLAIM, AND ANY LAWSUIT RELATIVE TO ANY SUCH CLAIM MUST BE FILED WITHIN ONE (1) YEAR OF THE DATE OF THE DATE SUCH CLAIM WAS BROUGHT IN ACCORDANCE WITH THE FOREGOING. ANY CLAIMS THAT HAVE BEEN BROUGHT OR FILED IN CONFLICT WITH THE PRECEDING SENTENCE ARE NULL AND VOID AND SHALL BE DEEMED WAIVED BY BUYER. The limitations and exclusions set forth above in this Section shall not apply to the extent they are prohibited by applicable mandatory law despite an agreement by the parties to the contrary.

USE OF SMT PREMISES: In the event that Buyer (including for purposes hereof, any of its employees, agents or subcontractors) enters premises occupied by, or under the control of, SMT, or of any of its Related Parties, sub-contractors or other third parties, Buyer shall indemnify and hold SMT, its officers, directors, employees, Related Parties and other parties harmless from any claim, loss, cost, damage, expense or liability by reason of loss, property damage, or personal injury, or otherwise arising from any acts or omission of Buyer.

BREACH AND TERMINATION: Without prejudice to any rights or remedies SMT may have under these Terms or otherwise under applicable law (including under Articles 61-65 and 71-77 of the CISG), SMT may, by written notice to Buyer, terminate with immediate effect these Terms, or any part thereof and any Quote, purchase order, or Confirmation hereunder, without any liability whatsoever, if: (i) Buyer fails to make payment for any Ordered Goods to SMT when due; (ii) Buyer fails to accept conforming Ordered Goods supplied hereunder; (iii) any proceedings in insolvency, bankruptcy (including reorganization) liquidation or winding up are instituted against Buyer, whether filed or instituted by Buyer, voluntary or involuntary, a trustee or receiver is appointed over Buyer, or any assignment is made for the benefit of creditors of Buyer; or (iv) Buyer violates or breaches any of the provisions of these Terms. Upon occurrence of any of the events referred to hereinabove, all payments to be made by Buyer under these Terms shall become immediately due and payable. In the event of cancellation, termination or expiration of these Terms, Sections 6(B), 7-10, 12(B), 13, 14, 16, 18, and 20-31 shall, to the extent applicable, survive.

DELIVERY DATES MODIFICATIONS; CANCELLATION: No order, agreement or any part thereof may be rescheduled or cancelled by Buyer without SMT's prior written consent.

CONFIDENTIALITY: Buyer acknowledges that all technical, commercial and financial data ("Confidential Information") disclosed to Buyer by SMT and/or SMT's Related Parties is the confidential information of SMT and/or its Related Parties. Buyer shall not disclose Confidential Information to any third party and shall not use Confidential Information for any purpose other than as agreed by the parties and in conformance with the transaction contemplated hereunder. Buyer shall restrict disclosure and use of the Confidential Information to its employees on need to know basis only. Without limiting the foregoing, Buyer shall use at least the same degree of care which it uses to prevent disclosure of its own Confidential Information of like importance, but in no event with less than a high degree of care, to prevent the disclosure of the Confidential Information. Upon SMT's request, Buyer shall promptly return all Confidential Information to SMT or make such other disposition thereof as directed by SMT. Buyer shall, only with the prior approval in writing from SMT, be permitted to disclose Confidential Information under the same obligations as are contained in this Section and Buyer shall be responsible for full compliance by the other parties to whom Confidential Information is disclosed. Buyer shall be liable to SMT for any and all damages, for any loss, disclosure, misuse, and/or misappropriation of the Confidential Information. SMT shall have no obligation to hold any information received from Buyer hereunder in confidence unless such information is covered by a separately negotiated non-disclosure agreement, which is reduced to writing and signed by both parties.

NON-WAIVER OF DEFAULT: In the event of any default by Buyer, SMT may decline to make further shipments. If SMT elects to continue to make shipments or in any case of failure on its part to exercise any right or remedy arising from these Terms, SMT's

action shall not constitute a waiver of any default by Buyer and shall not in any way affect SMT's legal remedies for any such default. Rights and remedies of SMT hereunder shall not be exclusive and shall be in addition to any rights or remedies SMT may have under applicable law or in equity.

APPLICABLE LAW: The formation, validity, performance and construction of these Terms and related agreements and transactions shall be governed by the laws of the State of Israel, as applicable, including the United Nations Convention on Contracts for the International Sale of Goods ("CISG") as incorporated therein, but without giving effect to any conflict of law rules that would result in the application of the substantive law other than that specified in the foregoing. All actions and proceedings relating to or arising out of these Terms and Conditions shall be brought only in Israeli Court a ruling by other courts is denied.

ASSIGNMENT; SUB-CONTRACTING: Buyer may not assign (voluntarily, by operation of law or otherwise) these Terms, or any of its rights or obligations thereunder, without the prior written approval of SMT. In performance of its obligations hereunder, SMT may assign or subcontract these Terms or any of its rights or obligations thereunder to third parties.

SETOFF: Buyer hereby waives any and all rights to offset, or withhold or reduce any amounts payable based on, any existing and future claims against any payments due for Ordered Goods sold under these Terms and Conditions or under any other agreement, and all such payments will be made regardless of any claims which may be asserted by Buyer or on its behalf.

ATTORNEYS' FEES: Should a dispute arise from the subject matter of these Terms, the prevailing party in any resulting litigation shall be reimbursed by the other party for any and all reasonable attorneys' fees and expenses incurred.

RELATIONSHIP OF PARTIES: The parties hereto intend to establish a relationship of buyer and seller, and as such are independent contractors with neither party having authority as an agent or legal representative of the other to create any obligation, express or implied, on behalf of the other.

RELEASE OF INFORMATION: Buyer shall not publicly announce, disclose or advertise the existence or content of these Terms without the prior written consent of SMT.

ENTIRE AGREEMENT MODIFICATION: These Terms constitute the entire agreement between the parties relating to the subject matter hereof, including the sale of the Ordered Goods, and supersede all previous communications, representations or agreements either oral or written, with respect to the subject matter hereof. Any representations or statements of any kind made by any representative of SMT which are not stated herein shall not be binding on SMT. SMT reserves the right to make any amendments or changes to these Terms at any time. Such amendments, modifications and changes shall have effect (1) to all Quotes, and Confirmations and other agreements referring to such amended or modified Terms as from the date of such Quote, Confirmation or other agreement, and (2) to any existing agreement thirty (30) days from notification of such amendments or modifications by SMT to Buyer, unless Buyer has notified SMT within such thirty (30) days period that it objects thereto. Except for the above and specifically with respect to any and all transactions, no addition to or modification of any provisions of these Terms shall be binding upon SMT unless made in writing and signed by a duly authorized representative of SMT. No course of dealing or usage of trade or course of performance shall be relevant to explain or supplement any term expressed in these Terms.

SEVERABILITY: If any provision of these Terms shall be determined to be illegal, invalid or unenforceable by a court of competent jurisdiction, all other provisions shall remain in full force and effect.

NOTICE: All notices provided pursuant to these Terms shall be in writing and shall be deemed delivered on the date of personal delivery, confirmed facsimile communication, or upon delivery confirmation by UPS, FedEx or similar recognized courier service.